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1497

25 Apr 1975

MEMORANDUM FOR: Associate Director for Operations

VIA

SUBJECT : Project [REDACTED] Amendment No. 1 for  
FY 1974 and Termination

1. This memorandum requests that Project [REDACTED] be amended for [REDACTED] for FY 1974 and terminated effective 30 June 1974.

2. Project [REDACTED] a covert action activity, provided financial support to the Christian Democratic Party (PDC), the largest political party in Chile. Prior to the 11 September 1973 military coup, the PDC opposed the Popular Unity (UP) government of President Salvador Allende and attempted to block the UP's programs by various constitutional means. In addition to funds approved by the 40 Committee for the PDC, this project took care of [REDACTED]

3. On 20 August 1973 the 40 Committee approved \$1,000,000 for continuing covert support to opposition political parties and private sector organizations, of which [REDACTED] was designated for support of the PDC. A total of [REDACTED] of this [REDACTED] was passed to the PDC prior to the 11 September 1973 coup. On 25 September the 40 Committee was notified that the coup had changed the situation in Chile so completely that the 20 August 40 Committee approval was no longer considered to be valid. (A copy of this 25 September memorandum to the 40 Committee is attached.) On 15 October 1973 the 40 Committee approved the additional sum of [REDACTED] to cover the travel cost of a PDC delegation

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which had visited the PDC's sister parties in Europe and Latin America to explain the PDC's support of the new military government. This commitment was made by the Station and approved by the Ambassador, on the understanding that the August 1973 40 Committee approval was still valid. (A copy of this 40 Committee memorandum is attached.) The [redacted] Project was renewed for FY 1974 on 26 December 1973 for [redacted] of which [redacted] was obligated for the two 40 Committee approved activities of [redacted] and [redacted] mentioned above [redacted]

4. On 25 June 1974 the 40 Committee approved a termination payment of not more than [redacted] for commitments made to the PDC prior to the coup, even though this request had been for [redacted]. (A copy of this memorandum is attached.) The funds were passed [redacted]

[redacted] It is therefore requested that the project be amended for [redacted] to cover the 40 Committee-approved termination payments made through [redacted] thus bringing the total project cost for FY 1974 to [redacted]. Funds for this amendment will be made available within the Latin America Division allotment for FY 1974. Funds in the amount of [redacted] which were programmed for this project in FY 1975 are no longer required.

5. [redacted]

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7. There are no outstanding commitments remaining in Project [REDACTED] Latin America Division recommends (a) that the [REDACTED] Project be amended for an additional [REDACTED] for FY 1974 as outlined in paragraph 4; and (b) that the project be terminated effective 30 June 1974.

[REDACTED]  
David A. Phillips  
Chief  
Latin America Division

Attachments (3)

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